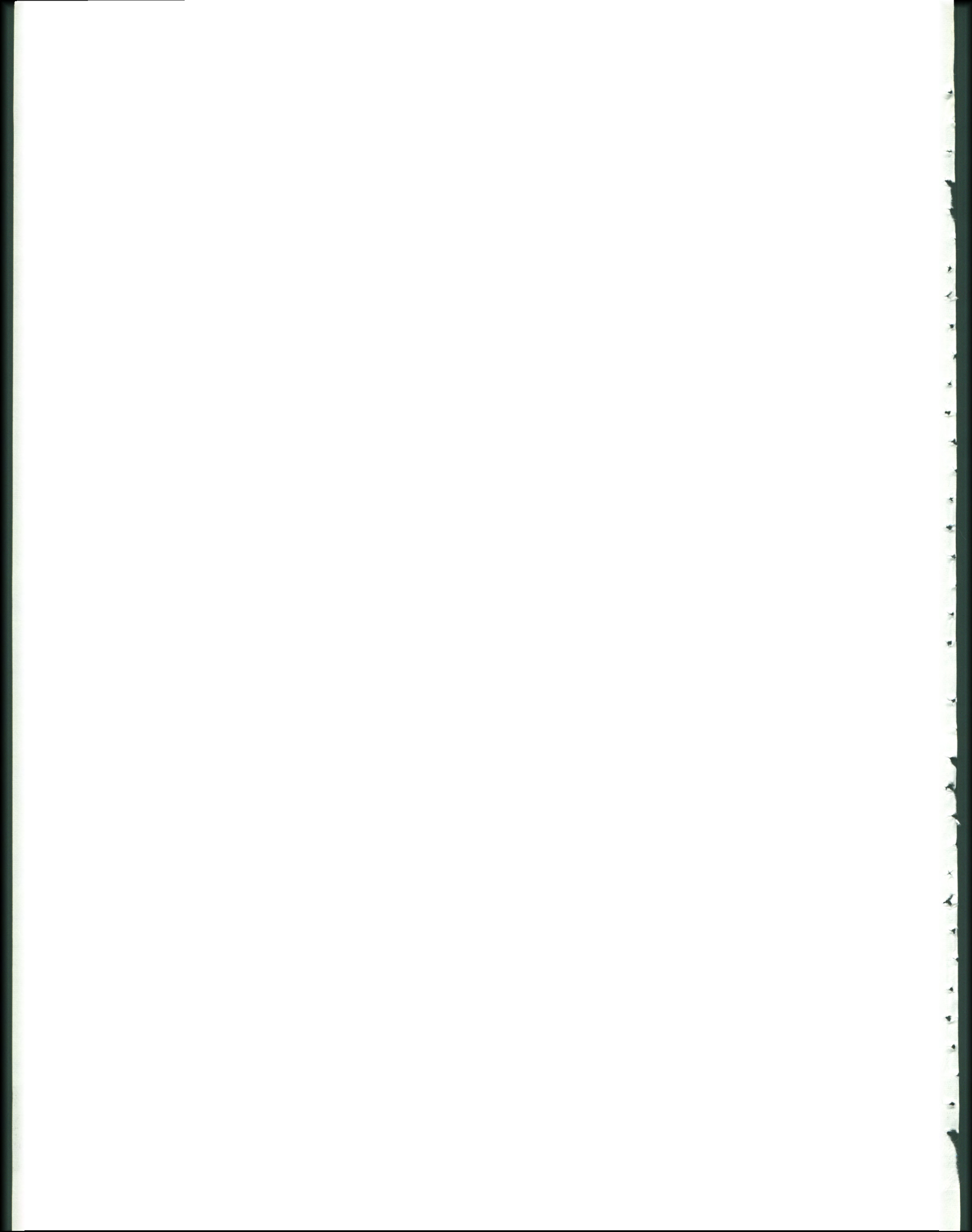


**Report of the
Committee on Public Welfare
to the
Legislative Research Commission
of the
North Carolina General Assembly**



**North Carolina
Legislative Research Commission**



Members of the
Committee on Public Welfare

Representative Dwight W. Quinn, Chairman

Senator J. Ruffin Bailey

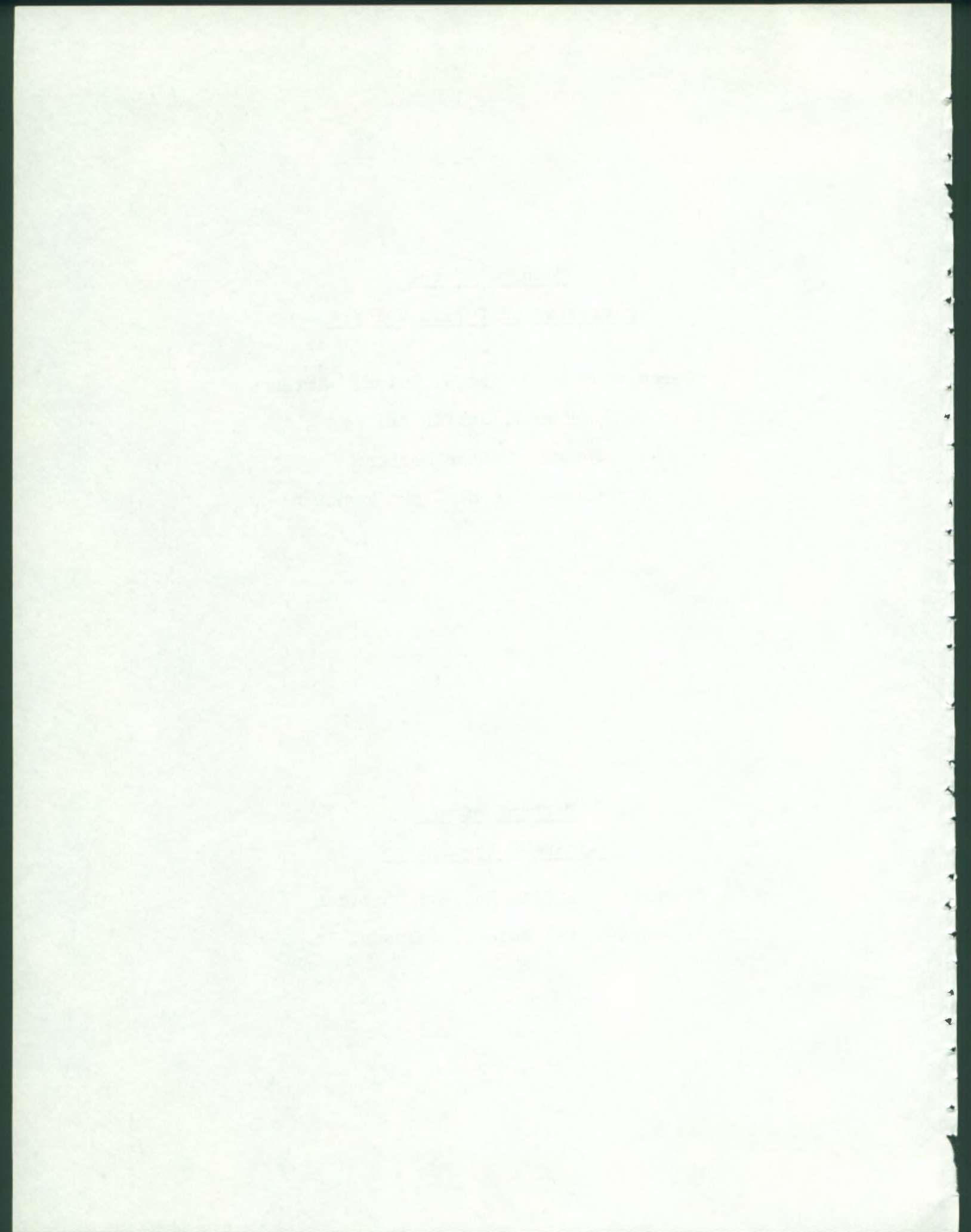
Senator Hector MacLean

Representative M. Glenn Pickard

Members of the
Drafting Subcommittee

Senator J. Ruffin Bailey, Chairman

Representative Hugh S. Johnson, Jr.





North Carolina
Legislative Research Commission
STATE LEGISLATIVE BUILDING
Raleigh

CO-CHAIRMEN:

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PRESIDENT PRO TEMPORE, SENATE
EARL W. VAUGHN
SPEAKER, HOUSE OF REPRESENTATIVES

February 15, 1969

COMMISSION MEMBERS:

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THOMAS J. WHITE

Senator Herman A. Moore and
Speaker Earl W. Vaughn, Co-Chairmen
Legislative Research Commission
State Legislative Building
Raleigh, North Carolina 27602

Gentlemen:

The House of Representatives of the 1967 General Assembly adopted an unnumbered House Resolution on June 30, 1967, directing the Legislative Research Commission to make a study "of the laws under the jurisdiction of the North Carolina Department of Public Welfare," giving special attention to Chapter 108 (dealing with the State Board of Public Welfare) and Chapter 111 (dealing with the State Commission for the Blind). The resolution directs the Commission to be "cognizant of federal programs as they may relate to the administration of the North Carolina laws and the distribution of said funds within and without the State" and to report its findings and recommendations to the 1969 General Assembly.

The Commission appointed the following persons to constitute a committee for the study of public welfare and related laws: Senator J. Ruffin Bailey; Senator Hector MacLean; Representative M. Glenn Pickard; and Representative Dwight W. Quinn, Chairman.

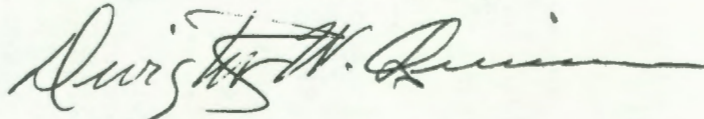
This committee met on February 9, 1968. Representatives of the State Department of Public Welfare and the State Commission for the Blind appeared before the committee to discuss problems related to the laws governing their respective programs. The committee decided to ask the Institute of Government for staff help in doing its work.

The committee held its second meeting on April 11, 1968, at which time it heard statements from members of the State Board of Public Welfare and from the staff of the State Commission for the Blind. The committee decided that it would undertake recodification of Chapter 108 dealing with the public welfare program. The committee further decided that it would not attempt to rewrite Chapter 111 at the present time. The committee appointed a subcommittee to be responsible for recodification of Chapter 108 composed of the following persons: Representative Hugh S. Johnson, Jr., the sponsor of the House Resolution, and Senator J. Ruffin Bailey, Chairman.

This subcommittee for the recodification of Chapter 108 has drafted a bill to recodify Chapter 108, with the staff services provided by the Institute of Government.

The committee for the study of public welfare and related laws recommends that this recodification of Chapter 108 be enacted by the 1969 General Assembly.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Dwight W. Quinn", with a long horizontal flourish extending to the right.

Dwight W. Quinn, Chairman

NORTH CAROLINA GENERAL ASSEMBLY 1969 SESSION

HOUSE BILL 524

(Public)

Sponsors: Representatives Quinn and Johnson; Mills.

Referred to: Public Welfare.

April 2

A BILL TO BE ENTITLED

AN ACT TO RE-CODIFY AND CLARIFY CHAPTER 108 OF THE GENERAL
STATUTES OF NORTH CAROLINA ENTITLED "BOARD OF PUBLIC WELFARE."

The General Assembly of North Carolina do enact:

Section 1. Chapter 108 of the General Statutes of North
Carolina entitled "Board of Public Welfare" (G. S. 108-1 to 108-
86) is hereby repealed, and Chapter 108 is rewritten as follows:

"CHAPTER 108.

SOCIAL SERVICES

ARTICLE 1.

Administration

Part 1. The State Board of Social Services.

G. S. 108-1. Creation and change of name.--The State
Board of Social Services is hereby created as a policy board for
the State Department of Social Services and for the county boards
of social services as set out in this Chapter. Wherever any
duty, power or authority is granted to the State Board of Public
Welfare (or to the State Board of Charities and Public Welfare)
by the General Statutes of North Carolina or by any act of the

1 General Assembly, the same shall be construed as referring to the
2 State Board of Social Services.

3 G. S. 108-2. Appointment, term of office, and
4 compensation.--(a) The State Board of Social Services shall have
5 seven members who shall be appointed by the Governor to serve
6 terms of six years. They shall serve staggered terms commencing
7 in odd-numbered years, so that two shall be appointed to serve a
8 term beginning on April 1, 1969, and every six years thereafter;
9 two shall be appointed to serve a term beginning on April 1,
10 1971, and every six years thereafter, and three shall be
11 appointed to serve a term beginning on April 1, 1973, and every
12 six years thereafter. Members of the State Board of Public
13 Welfare in office when this section shall become effective shall
14 serve until the expiration of the term for which they were
15 appointed.

16 (b) Any vacancy in the Board which may arise shall be
17 filled for the remainder of the term by appointment of the
18 Governor.

19 (c) Each Governor shall designate one member of the
20 Board to serve as chairman of the Board for so long as the
21 Governor may deem to be desirable. The chairman shall serve
22 during his term until a new chairman is appointed.

23 (d) The Board shall elect one member to be vice-chairman
24 who shall serve as chairman in the absence of the chairman or if
25 the chairman's position is vacant.

26 (e) The members of the Board shall receive the per diem
27 allowances, travel expenses and subsistence that is customary for
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1 members of State boards and commissions as provided by G. S. 138-
2 5.

3 G. S. 108-3. Meetings of Board.--The Board of Social
4 Services shall meet at least quarterly and whenever called in
5 session by the chairman, or when requested by four or more
6 members. It shall make such rules for the regulation of its own
7 proceedings as it may deem proper.

8 G. S. 108-4. Powers and duties.--The Board of Social
9 Services shall have the following powers and duties:

10 (1) To appoint, with the approval of the Governor, a
11 qualified person to be the administrative head of the social
12 service programs of the Board and who shall be known as the
13 Commissioner of Social Services.

14 (2) To authorize the making of arrangements and
15 contracts with other State agencies or private organizations or
16 units of local governments, whereby such agencies, organizations
17 or units provide services or act as the agents of the Board in
18 providing any of the services authorized by this Chapter.

19 (3) To authorize investigations of social problems, with
20 authority to subpoena witnesses, administer oaths, and compel the
21 production of necessary documents.

22 (4) To adopt policies that may be necessary or desirable
23 for the administration of the programs of public assistance
24 established by federal legislation and by Article 2 of this
25 Chapter.

26 (5) To ratify reciprocal agreements with agencies in
27 other states that are responsible for the administration of
28 public assistance and child welfare programs to provide

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1 assistance and services to residents and nonresidents of this
2 State.

3 (6) To adopt policies to achieve maximum cooperation
4 with other agencies of this State and with agencies of other
5 states and of the federal government in rendering services to
6 strengthen and maintain family life and to help recipients of
7 public assistance attain self-support or self-care.

8 (7) To adopt policies for the placement and supervision
9 of dependent and delinquent children, and the payment of the
10 necessary costs of foster home care for needy and homeless
11 children as provided by G. S. 108-66.

12 (8) To adopt standards for the inspection and licensing
13 of foster homes for children and persons or organizations which
14 receive and place children for adoption.

15 (9) To adopt standards for the inspection and licensing
16 of maternity homes as provided by G. S. 108-76.

17 (10) To adopt standards for the inspection and licensing
18 of all boarding homes, rest homes, and convalescent homes for
19 aged or infirm persons as provided by G. S. 108-77.

20 (11) To adopt standards for the inspection and licensing
21 of private child-care institutions as provided by G. S. 108-78.

22 (12) To approve standards for the inspection and
23 operation of jails or local confinement facilities as provided by
24 G. S. 153-51 and Part 3 of Article 3 of this Chapter.

25 (13) To adopt standards for the payment of the costs of
26 necessary day care for minor children of needy families.

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1 (14) To adopt standards for the inspection and licensing
2 of non-medical, privately operated homes and institutions, as
3 provided by G. S. 122-72.

4 (15) To adopt standards for the regulation and licensing
5 of public solicitors as provided by Article 3 of this Chapter.

6 Part 2. The Department of Social Services

7 G. S. 108-5. Created.--There is hereby created the
8 State Department of Social Services which shall administer the
9 programs and services created by this article according to
10 federal and State law and under the policies established by the
11 rules and regulations of the State Board of Social Services.

12 G. S. 108-6. Commissioner.--(a) The position of the
13 Commissioner of Social Services is hereby created. The
14 Commissioner shall be appointed by the State Board of Social
15 Services with the approval of the Governor. The Commissioner's
16 salary shall be fixed by the Governor, subject to the approval of
17 the Advisory Budget Commission.

18 (b) The Commissioner of Social Services shall have the
19 following duties and responsibilities:

20 (1) To be the executive officer of the State Board of
21 Social Services.

22 (2) To act as chief administrator of the State
23 Department of Social Services and provide for the proper and
24 efficient organization and operation of the Department, including
25 the employment of necessary personnel.

26 (3) To formulate for the approval of said Board the
27 agreements, rules, regulations, provisions and standards which
28 the Board is authorized to ratify or adopt by G. S. 108-4.

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1 (4) To administer for said Board those programs for
2 which the Board is authorized by G. S. 108-4 to ratify or adopt
3 agreements, rules, regulations, provisions and standards.

4 (5) To study social problems and other matters affecting
5 the well-being of the citizens of North Carolina and to report on
6 such matters to the State Board, including recommendations for
7 action by the Board.

8 (6) To prepare and submit, with the approval of the
9 State Board, a biennial report to the Governor, containing a
10 complete description of the activities of the State Department of
11 Social Services during the preceding two years with
12 recommendations for improving the programs administered or
13 supervised by the Department.

14 (7) To keep informed concerning new federal programs and
15 changes in existing ones which might benefit the citizens of the
16 State, and to report on such developments to the Board with
17 recommendations for appropriate action by the Board.

18 (8) To serve in such other capacities as he may be
19 appointed to serve by virtue of his office.

20 (9) To execute contracts and agreements on behalf of the
21 State Board pursuant to the authority of the Board under G. S.
22 108-4 (2) .

23 Part 3. County Boards of Social Services.

24 G. S. 108-7. Creation.--Every county shall have a board
25 of social services which shall establish county policies for the
26 programs established by this Chapter in conformity with the rules
27 and regulations of the State Board of Social Services and under
28 the supervision of the State Department of Social Services.

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1 G. S. 108-8. Size.--The county board of social services
2 in each county shall consist of three members, except that the
3 board of commissioners of any county may increase such number to
4 five members. The decision to increase the size to five members
5 or to reduce a five-member board to three shall be reported
6 immediately in writing by the chairman of the board of
7 commissioners to the State Department of Social Services.

8 G. S. 108-9. Method of appointment.--(a) Three-member
9 board: The board of commissioners shall appoint one member who
10 may be a county commissioner or a citizen selected by the board;
11 the State Board of Social Services shall appoint one member; and
12 the two members so appointed shall select the third member. In
13 the event the two members so appointed are unable to agree upon
14 selection of the third member, the senior regular resident
15 Superior Court judge of the county shall make the selection.

16 (b) Five-member board: The procedure set forth in
17 subsection (a) shall be followed, except that both the board of
18 commissioners and the State Board of Social Services shall
19 appoint two members each, and the four so appointed shall select
20 the fifth member. If the four are unable to agree upon the fifth
21 member, the senior regular resident Superior Court judge of the
22 county shall make the selection.

23 G. S. 108-10. Term of appointment.--Each member of a
24 county board of social services shall serve for a term of three
25 years. No member may serve more than two consecutive terms.

26 G. S. 108-11. Order of appointment.--(a) Three-member
27 board: The term of the member appointed by the State Board of
28 Social Services shall expire on June 30, 1969, and every three

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1 years thereafter; the term of the member appointed by the board
2 of commissioners shall expire on June 30, 1971, and every three
3 years thereafter; and the term of the third member shall expire
4 on June 30, 1970, and every three years thereafter.

5 (b) Five-member board: Whenever a board of
6 commissioners of any county decides to expand a three-member
7 board to a five-member board of social services, the State Board
8 of Social Services shall appoint an additional member for a term
9 expiring at the same time as the term of the existing member
10 appointed by the board of commissioners, and the board of
11 commissioners shall appoint an additional member for a term
12 expiring at the same time as the term of the existing member
13 appointed by the State Board. Thereafter all appointments shall
14 be for three-year terms.

15 (c) Change from five-member to three-member board: The
16 change shall become effective on the first day of July following
17 the decision to change by the board of commissioners. On that
18 day, the following two seats on the board of social services
19 shall cease to exist:

20 (1) The seat held by the member appointed by the State
21 Board whose term would have expired on June 30, 1971, or
22 triennially thereafter; and

23 (2) The seat held by the member appointed by the board
24 of commissioners whose term would have expired on June 30, 1972,
25 or triennially thereafter.

26 G. S. 108-12. Vacancies.--Appointments to fill
27 vacancies shall be made in the manner set out in G. S. 108-9.
28 All such appointments shall be for the remainder of the former
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1 member's term of office and shall not constitute a term for the
2 purposes of G. S. 108-10.

3 G. S. 108-13. Meetings.--The board of social services
4 of each county shall meet at least once per month or more often
5 if a meeting is called by the chairman. Such board shall elect a
6 chairman from its members at its July meeting each year, and the
7 chairman shall serve a term of one year or until a new chairman
8 is elected by the board.

9 G. S. 108-14. Compensation of members.--Members of the
10 county board of social services may receive a per diem not to
11 exceed ten dollars (\$10.00) and travel expenses not to exceed the
12 amounts provided by G. S. 138-5 for attendance at official
13 meetings and conferences, provided such per diem or travel is
14 authorized by the board of commissioners.

15 G. S. 108-15. Duties and responsibilities.--The county
16 board of social services shall have the following duties and
17 responsibilities:

18 (1) To select the county director of social services
19 according to the merit system rules of the State Personnel Board.

20 (2) To advise county and municipal authorities in
21 developing policies and plans to improve the social conditions of
22 the community.

23 (3) To consult with the director of social services
24 about problems relating to his office, and to assist him in
25 planning budgets for the county department of social services.

26 (4) To transmit or present the budgets of the county
27 department of social services for public assistance and
28 administration to the board of county commissioners.

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1 (5) To have such other duties and responsibilities as
2 the General Assembly or the State Board of Social Services may
3 assign to it.

4 G. S. 108-16. Inspection of records by members.--Every
5 member of the county board of social services may inspect and
6 examine any record on file in the office of the director relating
7 in any manner to applications for and payments of public
8 assistance authorized by this Chapter. No member shall disclose
9 or make public any information which he may acquire by examining
10 such records.

11 Part 4. County Director of Social Services.

12 G. S. 108-17. Appointment.--(a) The board of social
13 services of every county shall appoint a director of social
14 services in accordance with the merit system rules of the State
15 Personnel Board. Any director dismissed by such board shall have
16 the right of appeal under the same rules.

17 (b) Two or more boards of social services may jointly
18 employ a director of social services to serve the appointing
19 boards and such boards may also combine any other functions or
20 activities as authorized by G. S. 153-246. The boards shall
21 agree on the portion of the director's salary and the portion of
22 expenses for other joint functions and activities that each
23 participating county shall pay.

24 G. S. 108-18. Salary.--The board of social services of
25 every county shall determine the salary of the director in
26 accordance with the classification plan of the State Personnel
27 Board, and such salary shall be paid by the county from the
28 federal, State and county funds available for this purpose.

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1 G. S. 108-19. Duties and responsibilities.--The
2 director of social services shall have the following duties and
3 responsibilities:

4 (1) To serve as executive officer of the board of social
5 services and act as its secretary.

6 (2) To appoint necessary personnel of the county
7 department of social services in accordance with the merit system
8 rules of the State Personnel Board.

9 (3) To administer the programs of public assistance
10 established by this Chapter.

11 (4) To administer funds provided by the board of
12 commissioners for the care of indigent persons in the county
13 under policies approved by the county board of social services.

14 (5) To act as agent of the State Board of Social
15 Services in relation to work required by the State Board in the
16 county.

17 (6) To investigate cases for adoption and to supervise
18 adoptive placements.

19 (7) To issue employment certificates to children under
20 the regulations of the State Department of Labor.

21 (8) To serve as chief probation officer for judges
22 exercising juvenile jurisdiction in the county if the court does
23 not have personnel available to provide juvenile probation
24 services.

25 (9) To supervise children conditionally released from
26 state institutions for juvenile delinquents where courts
27 exercising juvenile jurisdiction do not have personnel for this
28 purpose.

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1 (10) To supervise boarding homes, rest homes and
2 convalescent homes for aged or infirm persons, under the rules
3 and regulations of the State Board.

4 (11) To investigate, prepare, and submit petitions for
5 the sterilization of eligible county residents to the Eugenics
6 Board of North Carolina and to arrange for operations authorized
7 by said Board.

8 (12) To assist and cooperate with the Board of Paroles
9 and the Probation Commission and their representatives.

10 (13) To keep informed of the condition of persons
11 discharged from hospitals for the mentally ill.

12 (14) To investigate reports of child abuse, neglect,
13 injury and illness as authorized by G. S. 14-318.3 and to take
14 appropriate action to protect such children.

15 (15) To accept children for placement in foster homes
16 and to supervise placements for so long as such children require
17 foster home care.

18 Part 5. Special County Attorneys for Social Service Matters.

19 G. S. 108-20. Appointment.--With the approval of the
20 board of social services, the board of commissioners of any
21 county may appoint a licensed attorney to serve as a special
22 county attorney for social service matters, or designate the
23 county attorney as special county attorney for social service
24 matters.

25 G. S. 108-21. Compensation.--The special county
26 attorney for social service matters shall receive compensation
27 for the performance of his duties and for his expenses in such
28 amount as the board of commissioners may provide. His

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1 compensation shall be a proper item in the annual budget of the
2 county department of social services.

3 G. S. 108-22. Duties and responsibilities.-- (a) The
4 special county attorney shall have the following duties and
5 responsibilities:

6 (1) To serve as legal advisor to the county director,
7 the county board of social services, and the board of county
8 commissioners on social service matters.

9 (2) To represent the county, the plaintiff, or the
10 obligee in all proceedings brought under the Uniform Reciprocal
11 Enforcement of Support Act and to exercise continuous supervision
12 of compliance with any order entered in any proceeding under that
13 Act.

14 (3) To represent the county board of social services in
15 appeal proceedings and in any litigation relating to appeals.

16 (4) To discharge the duties of the county attorney in
17 respect to the lien created by G. S. 108-29, if such duties be
18 assigned to him by the board of county commissioners with the
19 consent and approval of the county attorney.

20 (5) To assist the district court prosecutor or superior
21 court solicitor with the preparation and prosecution of criminal
22 cases under Article 40 of Chapter 14 of the General Statutes,
23 entitled "Protection of the Family".

24 (6) To assist the district court prosecutor or superior
25 court solicitor with the preparation and prosecution of
26 proceedings authorized by Chapter 49 of the General Statutes,
27 entitled "Bastardy".

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1 (7) To perform such other duties as may be assigned to
2 him by the board of county commissioners, the board of social
3 services, or the director of social services.

4 (b) In performing any of the duties and responsibilities
5 set out in this section, the special county attorney is
6 authorized to call upon any director of social services or the
7 State Department of Social Services for any information as he may
8 require to perform his duties, and such director and Department
9 are directed to assist him in performing such duties.

10 ARTICLE 2.

11 Programs of Public Assistance.

12 G. S. 108-23. Creation of programs.--The following
13 programs or public assistance are hereby established, and shall
14 be administered by the county departments of social services
15 under policies adopted by the State Board of Social Services and
16 under the supervision of the State Department of Social Services:
17 (1) aid to the aged and disabled; (2) aid to families with
18 dependent children; (3) general assistance; (4) medical
19 assistance, and (5) foster home fund.

20 G. S. 108-24. Definitions.--As used in Article 2:

21 (1) "Applicant" is any person who requests assistance or
22 on whose behalf assistance is requested.

23 (2) "Assistance" is money payments, medical care,
24 remedial care, and goods or services, to or for eligible persons.

25 (3) "Medical assistance" is any program of medical,
26 dental, optometric or other health-related services approved by
27 the State Board of Social Services.

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1 (4) "Dependent child" is a person under twenty-one years
2 of age who is living with a natural parent, adoptive parent,
3 step-parent, or any other person related by blood, marriage, or
4 legal adoption, in a place of residence maintained by one or more
5 of such persons as his or their own home, and who is deprived of
6 parental support; it shall also include a minor living in a
7 foster-care facility or child-caring institution.

8 (5) "Permanently and totally disabled" is a person who
9 has a physical or mental impairment which substantially precludes
10 him from obtaining gainful employment, and such impairment
11 appears reasonably certain to continue without substantial
12 improvement throughout his lifetime.

13 (6) "Recipient" is a person to whom, or on whose behalf,
14 assistance is granted under this Article.

15 (7) "Resident" is a person who has resided continuously
16 within the State of North Carolina for at least one year prior to
17 the date on which application for assistance to him is made with
18 a county department of social services.

19 Part 1. Aid to the Aged and Disabled.

20 G. S. 108-25. Eligibility requirements.--Assistance
21 shall be granted to any person who:

22 (1) Is sixty-five (65) years of age and older, or is
23 between the ages of eighteen and sixty-five and is permanently
24 and totally disabled;

25 (2) Has insufficient income or other resources to
26 provide a reasonable subsistence compatible with decency and
27 health as determined by the rules and regulations of the State
28 Board of Social Services;

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1 (3) Is a resident of North Carolina;

2 (4) Shall agree in writing that the amount of assistance
3 granted him under this Article shall constitute a lien against
4 his real property or a claim against his estate.

5 G. S. 108-26. Determination of disability.--(a) An
6 applicant between the ages of 18 and 65 seeking assistance under
7 this part must be found to be permanently and totally disabled as
8 defined in G. S. 108-24 by a physician or by a medical review
9 board in his county of residence; such physician or board must
10 submit any findings of disability to the county department of
11 social services for transmittal to the State Department of Social
12 Services.

13 (b) All applications for assistance as a permanently and
14 totally disabled person shall be reviewed by medical consultants
15 employed by the State Department of Social Services. The final
16 decision on the disability factor shall be made by such medical
17 consultants under rules and regulations adopted by the State
18 Board of Social Services.

19 G. S. 108-27. Direct payments for nursing and custodial
20 care.--(a) The State Department is authorized and empowered to
21 make payments to duly licensed nursing homes or extended care
22 facilities for persons eligible to receive assistance to the aged
23 and disabled when nursing care is found to be essential for such
24 persons by the State Department under the rules and regulations
25 of the State Board of Social Services.

26 (b) The State Department is authorized and empowered to
27 make payments to family care homes, homes for the aged and
28 intermediate care homes for persons eligible to receive
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1 assistance to the aged and disabled when such facilities are
2 found to be essential for such persons by a county department of
3 social services under the rules and regulations of the State
4 Board of Social Services.

5 G. S. 108-28. Limitations on payments.--No payment of
6 public assistance derived from federal, State or local sources
7 shall be made for the care of any person in a nursing home, home
8 for the aged, family care home, or intermediate care home which
9 is owned or operated in whole or in part by any of the following:

10 (1) A member of the State Board of Social Services, of
11 any county board of social services, or of any board of county
12 commissioners;

13 (2) An official or employee of the State Department of
14 Social Services or of any county department of social services;

15 (3) A spouse of a person designated in subsections (1)
16 and (2).

17 G. S. 108-29. Creation of lien on property.--A general
18 lien shall be created against the real property of any person who
19 receives assistance to the aged and disabled. The lien shall be
20 to the extent of the total amount of assistance paid from and
21 after (a) October 1, 1951, if the recipient receives assistance
22 as an aged person, or (b) October 1, 1963, if the recipient
23 receives assistance as a permanently and totally disabled person.

24 G. S. 108-30. Procedure for filing lien.--After the
25 approval of assistance to an applicant under this part, the
26 county director of social services shall file a statement showing
27 the name of the applicant and the date he received his first
28 payment of public assistance in the office of the clerk of the

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1 Superior Court in the county of the recipient's residence and in
2 each county where he owns or subsequently owns real property.
3 Such statement shall be filed in the regular lien docket, showing
4 the name of the county filing the statement as claimant or
5 lienor, and the name of the recipient as owner or lienee, and it
6 shall be indexed in the name of the lienee in the defendant's, or
7 reverse alphabetical, side of the cross index to civil judgments.
8 The county shall appear as plaintiff, or lienor, in such index.
9 No cross index in the name of the county, or lienor, shall be
10 required.

11 G. S. 108-31. Effect of filing.--From the date on which
12 the statement required by G. S. 108-30 is filed, the statement
13 shall be and constitute due notice of a lien against the real
14 property owned by the recipient and lying in the county to the
15 extent of the total amount of assistance given the recipient
16 after the proper date shown in G. S. 108-29.

17 G. S. 108-32. Priority of lien.--(a) The lien created
18 on the real property of the recipient shall have equal priority
19 in order of payment with the sixth class under G. S. 28-105 and
20 shall be subordinate to the debts, expenses, taxes, dues and
21 judgments of the first five classes as provided by G. S. 28-105.

22 (b) The board of county commissioners and the county
23 board of social services of the county in which the recipient
24 resides may subordinate such lien to a mortgage or lien created
25 against the property of such recipient for necessary repairs or
26 improvements on the property, whether title to the property is
27 held by the recipient alone or by the entirety with the
28 recipient's spouse.

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1 G. S. 108-33. Statute of limitations on lien.--The lien
2 created by G. S. 108-29 shall continue from the date of filing
3 until satisfied, except that no action to enforce it may be
4 brought more than ten years after the last day on which
5 assistance was paid nor more than three years after the date of
6 the recipient's death. Failure to bring action within such times
7 shall be a complete bar against any recovery and shall extinguish
8 the lien.

9 G. S. 108-34. Limitations on enforcement.--No action to
10 enforce the lien created by G. S. 108-29 may be brought upon any
11 real property as long as the property is being occupied as a
12 homesite by the former recipient or, in the event of his death,
13 by the surviving spouse, by a dependent minor child of the
14 recipient, or by a dependent adult child of the recipient who is
15 incapable of self-support because of a mental or physical
16 disability.

17 G. S. 108-35. Notification of lien on termination of
18 assistance.--(a) The county department of social services shall,
19 within one month after the termination of an aid to the aged and
20 disabled grant, notify the former recipient or, in the event of
21 his death, his personal representative of the lien against the
22 former recipient's real property and the amount of assistance
23 provided to him since the appropriate date specified by G. S.
24 108-29.

25 (b) The county department shall also inform the clerk
26 of superior court of the total amount of assistance and the clerk
27 shall thereafter be authorized to accept full or partial payment
28 of such sum as may be tendered to him by the former recipient or
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1 on his behalf. When the total sum has been so collected, the
2 lien of record shall be cancelled. Upon receipt of the total
3 sum, the clerk shall disburse the funds as provided by G. S. 108-
4 37.

5 G. S. 108-36. Enforcement of lien after notification.--
6 When the former recipient or someone on his behalf fails to
7 satisfy the lien of which he is notified under G. S. 108-35, the
8 county director of social services shall examine the case records
9 of the former recipient, the tax records of the county, and (if
10 termination was caused by the recipient's death) the records
11 relating to executors, administrators, or other personal
12 representatives within six months after the termination of
13 assistance. If it appears from such examinations or from any
14 other information available to the director that (1) the former
15 recipient does own or did own since the date on which the lien
16 was filed any real property, or (2) that he owns or owned
17 personal property of more than \$100 in value, or (3) that a
18 personal representative has been appointed over his estate, the
19 director shall notify the county attorney or the special county
20 attorney for social service matters of such findings and provide
21 him with such information as may be required to obtain
22 satisfaction of the lien.

23 G. S. 108-37. Distribution of collected funds.--(a)
24 The United States, the State of North Carolina, and the counties
25 which provided assistance to a former recipient shall share in
26 any sum collected under the lien created by G. S. 108-29, and
27 their proportionate shares of such sum shall be determined in
28 accordance with the matching formulas in use during the period in
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1 which assistance was provided the recipient. All sums collected
2 shall be deposited with the clerk of superior court in the county
3 enforcing the lien and, when such lien is satisfied, the clerk
4 shall report to the State Department of Social Services, which
5 shall inform the clerk of the correct distribution of the
6 deposited funds. All sums to which the United States and North
7 Carolina may become entitled under this Section shall be promptly
8 paid or credited. All sums to which the State may be entitled
9 shall be deposited in the State Fund for Aid to the Aged and
10 Disabled and shall become a part of such fund.

11 (b) All necessary costs incurred in the collection of a
12 lien shall be paid by the United States, the State of North
13 Carolina, and the counties in proportion to the share of the sum
14 collected to which each may be entitled. Neither the United
15 States nor North Carolina shall be charged for costs in excess of
16 the sum they would have received from the payment of the lien.
17 Necessary costs of collecting any lien shall include all costs of
18 services in the filing, processing, investigation and collection
19 of such lien.

20 Part 2. Aid to Families with Dependent Children.

21 G. S. 108-38. Eligibility requirements.--Assistance
22 shall be granted to any dependent child, as defined in G. S. 108-
23 24, who:

24 (1) Is a resident of the State or whose mother was a
25 resident when the child was born;

26 (2) Has been deprived of parental support or care by
27 reason of a parent's death, physical or mental incapacity, or
28 continued absence from the home;

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1 (3) Has no adequate means of support.

2 G. S. 108-39. Limitations on eligibility.--(a) No
3 assistance shall be granted to any dependent child who:

4 (1) Has passed his sixteenth birthday and has the
5 ability and capacity for gainful employment, unless he is
6 regularly enrolled and attending school or unless no gainful
7 employment is available, except that a dependent child over
8 sixteen years of age and attending school is not eligible for
9 assistance during the summer months unless no gainful employment
10 is available;

11 (2) Has passed his eighteenth birthday unless he is
12 regularly attending and successfully pursuing (i) a course of
13 study leading to a high school diploma or its equivalent, (ii) a
14 course of study at the college level, or (iii) a course of
15 vocational or technical training designed to fit him for gainful
16 employment.

17 (b) No parent shall be made the payee of assistance
18 granted under this part who has the ability and capacity for
19 gainful employment but who is not employed either on a part or
20 full-time basis unless the parent is needed in the home to
21 provide continuous care for or supervision over the child in the
22 home or an incapacitated member in the household, or unless no
23 gainful employment is available.

24 (c) Any child or parent required to engage in gainful
25 employment but who cannot obtain such employment shall register
26 with an employment service and make reasonable and continuous
27 efforts to find gainful employment and provide such proof of his
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1 registration and efforts as the county department of social
2 services may require.

3 Part 3. The Administration of AAD and AFDC.

4 G. S. 108-40. Application for assistance.--Any person
5 who believes that he or another person is eligible to receive aid
6 to the aged and disabled or aid to families with dependent
7 children may submit an application for assistance to the county
8 department of social services. It shall be made in such form and
9 shall contain such information as the State Board of Social
10 Services may require.

11 G. S. 108-41. Investigation of applicant.--Upon receipt
12 of an application for public assistance, the county department
13 shall make a prompt evaluation or investigation of the facts
14 alleged in the application in order to determine the applicant's
15 eligibility for assistance and to obtain such other information
16 as the State Department of Social Services may require.

17 G. S. 108-42. The granting or denial of assistance.--
18 (a) The county director of social services shall submit his
19 findings and recommendations on each application for aid to the
20 aged and disabled and aid to families with dependent children to
21 the county board of social services at its next meeting for its
22 approval of assistance in each case, except that the disability
23 factor of applications for aid to the disabled shall be finally
24 determined by the State Department of Social Services as provided
25 in G. S. 108-26.

26 (b) The county board of social services may delegate
27 authority to the director to consider and process applications
28 for assistance in all cases that require immediate action to
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1 prevent undue hardship; in such cases, the director shall report
2 on his actions to the board at its next meeting, and the board
3 shall approve, reject or modify such decisions.

4 (c) The board of county commissioners may review any
5 grant approved by the county board of social services. The
6 recipient of a disputed grant shall receive notice of the time
7 and place of such review. If the board of commissioners deems
8 that a grant was improperly allowed under the policies of the
9 State Board of Social Services, it may order that proper action
10 be taken. The board of commissioners shall notify the recipient,
11 the county director of social services, and the State Department
12 of Social Services of any changes it may make in reviewing
13 assistance grants.

14 (d) All rules and regulations of the State Board of
15 Social Services which govern eligibility for public assistance
16 from state appropriations or the amount of public assistance
17 grants shall be subject to the approval of the Director of the
18 Budget and the Advisory Budget Commission.

19 G. S. 108-43. Reconsideration of grants.--All grants of
20 public assistance shall be reconsidered as frequently as required
21 by the rules of the State Board. Whenever the condition of any
22 recipient has changed to the extent that his award must be
23 modified or terminated, the county director may make the
24 appropriate termination or change in payment and submit it to the
25 county board of social services for approval at its next meeting.
26 Prompt notice of all changes shall be given to the recipient, to
27 the State Board, and to the board of county commissioners.

1 G. S. 108-44. Appeals.--(a) A public assistance
2 applicant or recipient shall have a right to appeal the decision
3 of the county board of social services or the board of county
4 commissioners granting or denying assistance, or modifying the
5 amount of assistance, or the failure of the county board of
6 social services to act within a reasonable time under the rules
7 and regulations of the State Board of Social Services, to the
8 Commissioner of Social Services. Each applicant or recipient
9 shall be notified of this right to appeal when applying for
10 assistance and upon any subsequent action of the county board on
11 his case. An applicant or recipient may give notice of appeal by
12 written notice to the county department of social services or
13 through verbal notice to personnel employed by said county
14 department.

15 (b) If there is such an appeal, the county director
16 shall notify the State Department of Social Services according to
17 the rules and regulations of the State Board of Social Services,
18 and the State Department shall designate a hearing officer who
19 shall promptly hold an appeal hearing in the county after giving
20 reasonable notice of the time and place of such hearing to the
21 appellant and the county department of social services.

22 (c) At the appeal hearing before the hearing officer,
23 the appellant and personnel of the county department of social
24 services shall present such facts as may bear upon the case.
25 After such hearing, the hearing officer shall forward a
26 transcript of the hearing to the State Department of Social
27 Services, to the county department of social services, and to the
28 appellant or his attorney, which transcript or other documents

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1 considered at the appeal hearing shall serve as the basis for the
2 Commissioner's decision on such appeal.

3 (d) The Commissioner of Social Services shall make a
4 decision on such appeal in conformity with federal and state law
5 and the rules and regulations of the State Board of Social
6 Services. The Commissioner shall notify the appellant and the
7 county board of social services of his decision in writing by
8 mail. The decision of the Commissioner on such an appeal shall
9 be binding upon the county board of social services and the board
10 of county commissioners unless there is a petition for court
11 review as provided in (e) herein.

12 (e) Any appellant or county board of social services
13 who is dissatisfied with the decision of the Commissioner may
14 file a petition within thirty days after receipt of written
15 notice of such decision for a hearing in the superior court of
16 Wake County or of the county from which the case arose. Such
17 court shall set the matter for a hearing within thirty days after
18 receipt of such petition and after reasonable written notice to
19 the State Department of Social Services, the county board of
20 social services, the board of county commissioners, and the
21 appellant. The court may take testimony and examine into the
22 facts of the case to determine whether the appellant is entitled
23 to public assistance under federal and state law, and under the
24 rules and regulations of the State Board of Social Services. The
25 court may affirm, reverse or modify the order of the
26 Commissioner.

27 G. S. 108-45. Confidentiality of records.--(a) Except
28 as provided in (b) below, it shall be unlawful for any person to
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1 obtain, disclose or use, or to authorize, permit, or acquiesce in
2 the use of any list of names or other information concerning
3 persons applying for or receiving public assistance that may be
4 directly or indirectly derived from the records, files or
5 communications of the State Board or the county boards of social
6 services, or acquired in the course of performing official duties
7 except for purposes directly connected with the administration of
8 the programs of public assistance in accordance with the rules
9 and regulations of the State Board.

10 (b) The Department of Social Services shall furnish a
11 complete list of names, addresses, and amounts of monthly grants
12 of all persons receiving payments under all programs of public
13 assistance administered under the supervision of the Department
14 to the auditor of each county at least semi-annually. This list
15 shall be a public record open to public inspection during the
16 regular office hours of the county auditor. The list, or any
17 part of it, may not be published in any newspaper or periodical
18 nor used for any commercial or political purpose. Any person so
19 using it or using it for any other purpose not directly connected
20 with the administration of public assistance shall be guilty of a
21 misdemeanor.

22 G. S. 108-46. Removal to another county.--Any recipient
23 who moves from one county to another county of this State shall
24 continue to receive public assistance if eligible. The county
25 director in the county from which he has moved shall transfer all
26 necessary records relating to the recipient to the county
27 director of the county to which the recipient has moved. The
28 county from which the recipient moves shall pay the amount of
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1 assistance to which the recipient is entitled for a period of
2 three months following his move, and thereafter the county to
3 which the recipient has moved shall pay such assistance.

4 G. S. 108-47. Assistance not assignable.--The
5 assistance granted by this Article shall not be transferable or
6 assignable at law or in equity; and none of the money paid or
7 payable as assistance shall be subject to execution, levy,
8 attachment, garnishment, or other legal processes, or to the
9 operation of any bankruptcy or insolvency law.

10 G. S. 108-48. Fraudulent misrepresentation.--Any person
11 who wilfully and knowingly, with the intent to deceive, makes a
12 false statement or representation or fails to disclose a material
13 fact in order to enable himself or another person to obtain or to
14 continue to receive assistance to which he is not entitled, is
15 guilty of a misdemeanor, and upon conviction or plea of guilty
16 shall be fined or imprisoned or both at the discretion of the
17 court.

18 G. S. 108-49. Personal representative for mismanaged
19 grants.--(a) Whenever a county director of social services shall
20 determine that a recipient of assistance is unwilling or unable
21 to manage assistance grants to the extent that deprivation or
22 hazard to himself or others results, the director shall file a
23 petition before a district court or the clerk of superior court
24 in the county alleging such facts and requesting the appointment
25 of a personal representative to be responsible for receiving such
26 grants and to use them for the benefit of the recipient.

27 (b) Upon receipt of such petition, the court shall
28 promptly hold a hearing, provided the recipient shall receive
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1 five days notice in writing of the time and place of such
2 hearing. If the court, sitting without a jury, shall find at the
3 hearing that the facts alleged in the petition are true, it may
4 appoint some responsible person as personal representative. The
5 personal representative shall serve without compensation and be
6 responsible to the court for the faithful performance of his
7 duties. He shall serve until the director of social services or
8 the recipient shows to the court that the personal representative
9 is no longer required or is unsuitable. All costs of court
10 relating to proceedings under this Section shall be waived.

11 (c) Any recipient for whom a personal representative is
12 appointed may appeal such appointment to Superior Court for a
13 hearing de novo without a jury.

14 (d) All findings of fact made under the proceedings
15 authorized by this Section shall not be competent as evidence in
16 any case or proceeding which concerns any subject matter other
17 than that of appointing a personal representative.

18 G. S. 108-50. Protective payments.--The State Board of
19 Social Services shall adopt rules and regulations providing for
20 the use of protective payments to the extent authorized by the
21 federal Social Security Act to be available in cases where payees
22 or recipients of public assistance grants fail to use such grants
23 for the purposes for which they are intended.

24 Part 4. Financing AAD and AFDC.

25 G. S. 108-51. Acceptance of grants-in-aid.--The State
26 Department of Social Services is hereby authorized to accept all
27 grants-in-aid for the programs of public assistance established
28 under this Article which may be available to the State by the
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1 federal government under the Social Security Act. The provisions
2 of this Article shall be liberally construed in order that the
3 State and its citizens may benefit fully from such grants-in-aid.

4 G. S. 108-52. Transfer of funds to counties.--(a) A
5 state fund for each program of public assistance established
6 under this Article is hereby created from the federal and state
7 appropriations to such program. Each state fund shall be drawn
8 out on the warrant of the State Auditor and issued upon order of
9 the Commissioner of Social Services. Quarterly, or more often if
10 the State Board directs, the Commissioner shall transfer to each
11 county that part of the county's allotment from each state fund
12 that the county is required to disburse for its public assistance
13 programs during the appropriate period. Before transferring such
14 funds, the Commissioner may require that the county certify,
15 through its auditor or fiscal agent, that sufficient county funds
16 are available to pay the county's share of the public assistance
17 expenditures corresponding to the amount of state money to be
18 transferred.

19 (b) The Commissioner may transfer to any county an
20 amount sufficient to pay in full the grants approved in that
21 county for the first quarter in any fiscal year. One-fourth of
22 this amount shall be advanced in anticipation of the collection
23 of taxes and shall be deducted from future allotments within the
24 same fiscal year to that county.

25 (c) When the Commissioner finds that the disbursement
26 of funds by a county to qualified recipients is being unduly
27 delayed, or that payments to recipients are jeopardized, he may
28 require that grants be promptly paid as a condition for the
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1 allotment or transmission of state monies to the county. State
2 monies may be withheld until the Commissioner is satisfied that
3 the county is paying the grants promptly.

4 (d) When the State Board of Social Services finds it to
5 be in the public interest to require more adequate protection of
6 funds collected in the county for disbursement to recipients, or
7 the more prompt, efficient and certain payment of grants to
8 recipients, the Commissioner may demand and require that the
9 funds raised by taxation in any county be transmitted to the
10 State Treasurer. The Commissioner shall, in such cases, give
11 notice to the board of county commissioners and to the county
12 officials having such funds in their custody. The board of
13 county commissioners and responsible officials shall immediately
14 transfer all such funds to the State Treasurer for disbursement
15 under rules and regulations established by the State Board of
16 Social Services.

17 G. S. 108-53. Allocation of non-federal shares.--(a)
18 The non-federal share of the annual cost of each public
19 assistance program may be divided between the State and the
20 counties in a manner consistent with the provisions of the
21 federal Social Security Act, except that the share required from
22 the State may not exceed the share required from the counties,
23 except as provided by G. S. 108-58.

24 (b) The non-federal share of the annual cost of public
25 assistance provided to Indians living on federal reservations
26 held in trust by the United States on their behalf shall be borne
27 entirely by the State. The Commissioner shall reserve from state
28 appropriations for public assistance an amount sufficient to pay
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1 the county's share of the cost of public assistance to eligible
2 Indian residents of federal reservations, plus related
3 administrative costs incidental to providing such assistance, and
4 shall pay same to counties containing such a federal reservation.

5 G. S. 108-54. Determination of county expenditures.--

6 Before March 15 of each year, the director of social services of
7 every county shall compile and submit to the county board of
8 social services an estimate of total funds required to finance
9 each program of public assistance within the county in the next
10 fiscal year on forms furnished by the State Department of Social
11 Services. The county board shall review, modify, and approve
12 such estimate and transmit it before April 1 to the board of
13 county commissioners, which shall review, modify and approve it
14 before April 15 for transmittal to the Commissioner of Social
15 Services. The Commissioner, as agent of the State Board, shall
16 review the estimate submitted by each county and notify the board
17 of county commissioners by June 1 of the adequacy of the county's
18 estimate and of the amount of county funds necessary to support
19 an adequate public assistance budget in the next fiscal year.
20 Upon receipt of such notice, the board of county commissioners
21 shall levy taxes sufficient to provide for the payment of the
22 county's part of such budget. If the board of commissioners
23 disputes the budget recommended by the Commissioner, the State
24 Board of Social Services shall make a final determination that
25 shall be binding upon the county.

26 G. S. 108-55. Determination of administrative

27 expenses.--The director of social services of each county shall
28 annually compile and submit to the county board of social
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1 services an estimate of total funds required to finance the
2 administrative expenses of the social service programs in the
3 next fiscal year. This estimate shall be prepared before March
4 15 on forms furnished by the State Department of Social Services.
5 The county board of social services shall review, modify and
6 approve the estimate and transmit it to the board of county
7 commissioners before April 1 for its review, modification and
8 approval. The estimate shall then be forwarded to the
9 Commissioner of Social Services on or before April 15. The
10 Commissioner, as agent of the State Board, shall review the
11 estimate submitted by the county and notify the board of
12 commissioners by June 1 of the adequacy of its estimate and of
13 the amount of county funds necessary to support the social
14 service administrative budget in the subsequent fiscal year.
15 Upon receipt of such notice, the board of commissioners shall
16 levy taxes sufficient to provide for the payment of the county's
17 part of the budget. If the board of commissioners disputes the
18 budget recommended by the Commissioner, the State Board of Social
19 Services shall make a final determination that shall be binding
20 upon the county.

21 G. S. 108-56. Counties to levy taxes.--(a) Whenever
22 the Commissioner assigns a portion of the non-federal share of
23 public assistance expenses to the counties under the rules and
24 regulations of the State Board, the board of commissioners of
25 each county shall levy and collect the taxes required to meet the
26 county's share of such expenses.

27 (b) The board of county commissioners may combine any
28 or all of the separate special taxes for each program of public
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1 assistance and for the administrative expenses of such programs
2 in place of levying separate special taxes for each item. This
3 consolidated public assistance tax shall be sufficient, when
4 combined with other funds available for use for public assistance
5 expenses from any other source of county income and revenue
6 (including borrowing in anticipation of collection of taxes), to
7 meet the financial requirements of public assistance. The
8 appropriations and expenditures for each of the several programs
9 and for administrative expenses shall be separately stated and
10 accounted for.

11 G. S. 108-57. Appropriations not to revert.--County
12 appropriations for public assistance expenses or administration
13 shall not lapse or revert, and the unexpended balances may be
14 considered in making further public assistance or administrative
15 appropriations. At any time during the fiscal year, any county
16 may transfer county funds from one public assistance program to
17 another if such action appears to be both necessary and feasible,
18 provided the county secures the approval of the Commissioner of
19 Social Services.

20 G. S. 108-58. Equalizing Fund.--The Commissioner of
21 Social Services is authorized and directed to reserve from State
22 appropriations for the programs of public assistance an amount
23 that he finds to be necessary to equalize the burden of taxation
24 in the counties of the State, and to equalize the benefits
25 received by the recipients of public assistance. This amount
26 shall be expended and disbursed solely for the use and benefit of
27 persons eligible for assistance. The amount reserved, to be
28 known as the Equalizing Fund, shall be distributed among the
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1 counties according to their needs under a formula approved by the
2 State Board of Social Services so as to produce a fair and just
3 distribution.

4 Part 5. Medical Assistance.

5 G. S. 108-59. State Fund created.--To provide for an
6 effective medical assistance program and its administration in
7 North Carolina, the State Board of Social Services is authorized
8 and empowered to establish from federal, State and county
9 appropriations a fund to be known as the State Fund for Medical
10 Assistance, and to adopt rules and regulations under which
11 payments are to be made out of such Fund in accordance with the
12 provisions of this part. The non-federal share may be divided
13 between the State and the counties, in a manner consistent with
14 the provisions of the federal Social Security Act, except that
15 the share allocated to the counties may not exceed the share
16 allocated to the State. If a portion of the non-federal share is
17 allocated to the counties, the boards of county commissioners of
18 the several counties shall levy, impose and collect the taxes
19 required for the special purpose of medical assistance as
20 provided in this part, in an amount sufficient to cover each
21 county's share of such assistance.

22 G. S. 108-60. Payments from Fund.--From the Fund
23 established in G. S. 108-59, the State Board of Social Services
24 may authorize, within appropriations made for this purpose,
25 payments of all or part of the cost of medical and other remedial
26 care for any eligible person, when it is essential to the health
27 and welfare of such person that such care be provided, and when
28 the total resources of such person are not sufficient to provide
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1 the necessary care. Payments from the Fund shall be made only to
2 hospitals licensed and approved under the laws of the State of
3 North Carolina or under the laws of another state, or to
4 pharmacies, physicians, dentists, optometrists or other personnel
5 authorized by the State Board of Social Services.

6 G. S. 108-61. Acceptance of federal grants.--All of the
7 provisions of the federal Social Security Act providing grants to
8 the states for medical assistance are accepted and adopted, and
9 the provisions of this part shall be liberally construed in
10 relation to such Act so that the intent to comply with it shall
11 be made effectual. Nothing in this part or the regulations made
12 under its authority shall be construed to deprive a recipient of
13 assistance of the right to choose the licensed provider of the
14 care or service made available under this part within the
15 provisions of the federal Social Security Act.

16 Part 6. General Assistance.

17 G. S. 108-62. Eligibility.--Assistance may be granted
18 under this part to any person who is unable to earn a sufficient
19 income and is without sufficient resources to provide a
20 subsistence compatible with decency and health.

21 G. S. 108-63. Application procedure.--(a) Applications
22 under this part shall be made to the county director of social
23 services who, with the approval of the county board of social
24 services and in conformity with the rules and regulations of the
25 State Board of Social Services, shall determine whether
26 assistance shall be granted and the amount of such assistance.

27 (b) The amount of assistance which any eligible person
28 may receive shall be determined with regard to the resources and
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1 necessary expenditures of the applicant, in accordance with the
2 appropriate rules and regulations of the State Board.

3 (c) Insofar as available funds permit, assistance under
4 this part shall be sufficient, when added to all other income and
5 resources of the applicant, to provide him a reasonable
6 subsistence compatible with health and decency, in conformity
7 with the principle of equitable treatment among counties set
8 forth in the rules and regulations of the State Board.

9 G. S. 108-64. State funds to counties.--(a) A fund, to
10 be known as the "State General Assistance Fund", shall be created
11 from appropriations made by the General Assembly and from grants
12 of the federal government (when such grants are made available to
13 the State). This fund shall be used exclusively for assistance
14 to needy persons eligible under this part.

15 (b) Allotments shall be made annually by the
16 Commissioner of Social Services, as prescribed by G. S. 108-52,
17 to the counties participating in the program established by this
18 part.

19 (c) The allotments provided by this Section shall be
20 used by the counties entitled to them solely as supplementary
21 funds to increase the general assistance being granted. No
22 allotment shall be used, either directly or indirectly, to
23 replace county appropriations or expenditures.

24 G. S. 108-65. Participation permissive.--The general
25 assistance program established by this part shall be administered
26 as required by the rules and regulations of the State Board of
27 Social Services, except that no county shall be granted any
28 allotment from the State General Assistance Fund nor be subject

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1 to the provisions of this part unless its consent be given in the
2 manner prescribed by the rules and regulations of the State
3 Board. In the event that federal general assistance grants be
4 made available to the State on the condition that all counties
5 participate in such program, however, all of the provisions of
6 this part shall become mandatory upon every county.

7 Part 7. Foster Home Fund.

8 G. S. 108-66. State Foster Home Fund.--(a) The General
9 Assembly shall appropriate funds to the State Department of
10 Social Services for the purpose of providing assistance to needy
11 children who are placed in foster homes by county departments of
12 social services in accordance with the rules and regulations of
13 the State Board. Such appropriations shall be known and
14 designated as the State Foster Home Fund and, together with
15 county contributions for this purpose, shall be expended to
16 provide for the costs of keeping needy children in foster homes.

17 (b) No needy child shall be eligible for the benefits
18 provided by this Section if he be eligible for foster home care
19 benefits provided by Part 2 of this Article entitled "Aid to
20 Families with Dependent Children".

21 ARTICLE 3.

22 Inspection and Licensing Authority

23 Part 1. Licensing of Public Solicitation.

24 G. S. 108-67. Definitions.--As used in this part,
25 certain words and phrases shall be defined as follows:

26 (1) "Charitable organization" is any person,
27 organization, corporation, institution, association, agency or
28 co-partnership which is or purports to be a charitable,
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1 benevolent, health, educational, religious, patriotic or other
2 similar public cause to alleviate cruelty toward animals.

3 (2) "Solicitation" is any act of seeking or obtaining,
4 whether by mail, through solicitors, or other means, any of the
5 following benefits: a grant of money or property, including a
6 promise to give any such grant; a gift of goods, wares,
7 merchandise or other items of value; the sale or distribution, or
8 offer for sale or distribution to the public of any item to raise
9 money; the sale of memberships, periodicals, books or advertising
10 space; and the promotion of any public bazaar, sale,
11 entertainment, exhibition or other event to secure money, goods,
12 or property.

13 (3) "Solicitor" is any person, organization,
14 corporation, institution, association, agency or co-partnership
15 that agrees, for whatever reason, to solicit or collect
16 contributions or other benefits for any charitable organization.

17 (4) "Verified financial report" is a report of an audit
18 conducted in accordance with generally accepted auditing
19 standards and containing the expression of an unqualified opinion
20 by an independent certified public accountant.

21 G. S. 108-68. Licenses required.--No charitable
22 organization, intra-state or foreign, unless exempted by G. S.
23 108-73, shall solicit benefits from residents of North Carolina
24 unless it has filed a request with the Commissioner of Social
25 Services for a license and is so licensed as provided by this
26 part.

27 G. S. 108-69. Licensing procedure.--(a) Every
28 charitable organization required under this part to secure a
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1 license in order to solicit benefits or to authorize
2 solicitations in its behalf shall file a written application with
3 the Commissioner on a form furnished by him. The application
4 shall require proof of the following subjects: the worthiness of
5 the charitable organization's cause or causes; its chartered
6 responsibility; the existence of an adequate, responsible and
7 functioning governing board; its need for public solicitation,
8 and the proposed uses of solicited funds. The applicant shall
9 also file a report summarizing its accomplishments during the
10 preceding fiscal period; a verified financial report for the
11 preceding fiscal period; and a report of the proposed program and
12 objectives, including a budget, for the fiscal period for which
13 the application is filed.

14 (b) Newly created charitable organizations with no
15 financial history may be granted a non-renewable license for one
16 year if, in the judgment of the Commissioner, all requirements
17 for licensing except that of the verified financial report are
18 satisfied.

19 (c) The State Board of Social Services may adopt
20 standards for the regulation and licensing of certain charitable
21 organizations whose solicitation goals and total contributions
22 received are below specified limits to provide for simplified
23 financial reporting as a prerequisite for licensing.

24 (d) In considering applications for licensing, the
25 Commissioner shall seek the counsel of any State agency in any
26 cause in which an agency may have an interest or responsibility.

27 (e) A license shall not be issued to any applicant that
28 pays or agrees to pay an unreasonable or exorbitant amount of the
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1 funds collected, as determined by regulations of the State Board
2 of Social Services, for the compensation of solicitors and for
3 expenses incurred in promoting and conducting its fund raising
4 activities and solicitation campaign.

5 (f) The Commissioner shall issue a license to solicit
6 for a period not to exceed one year, subject to annual renewal,
7 if he finds after full investigation and consideration of the
8 completed application that the causes of the applicant are not
9 harmful to the public interest and that the proposed
10 solicitations are truly for the causes set forth in the
11 application.

12 (g) The Commissioner may revoke any license before its
13 expiration date if such action would be in the public interest.

14 G. S. 108-70. Appeal procedure.--An applicant who is
15 refused a license or whose license has been revoked by the
16 Commissioner shall be entitled to a hearing before the
17 Commissioner if a written request for such hearing be made to the
18 Commissioner within fifteen days after notice of refusal or
19 revocation is delivered or mailed to the applicant or licensee.
20 All hearing shall be open to the public. The final decision of
21 the Commissioner on the matter appealed from shall be mailed to
22 the interested parties within ten days after such hearing.

23 G. S. 108-71. Annual financial reports.--(a) Every
24 licensee under this part shall file a verified financial report
25 with the State Department of Social Services within one hundred
26 and twenty (120) days after the end of each fiscal year. Such
27 verified financial report shall show the licensee's receipts and
28 expenditures on an itemized basis so as to disclose the various
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1 purposes for which the licensee solicited and expended funds.
2 Such report shall contain, but not be limited to, details on the
3 costs of raising or securing contributions; the costs of
4 administration, including the organization and operation of new
5 member groups and affiliates within the State; the costs of
6 research pursued by the licensee; and the portion of funds raised
7 in the State and expended inside and outside the State.

8 (b) No license shall be renewed for any licensee that
9 fails to comply with the provisions of this section.

10 G. S. 108-72. Authorization of individual solicitors.--
11 Every person who shall solicit or collect any contribution in
12 money or other property or who shall sell any item for which the
13 proceeds are reserved for and given to a licensee under this part
14 shall have in his possession a written authorization, pledge
15 card, receipt form, or other evidence of authority provided to
16 him by the licensee, and he shall show such authorization upon
17 request.

18 G. S. 108-73. Exemptions from licensing requirement.--

19 (a) The provisions of this part shall not apply to any
20 solicitation or appeal made by the following organizations:

21 (1) Any civic, religious, educational, fraternal, or
22 patriotic organization which confines its solicitation or appeal
23 to its own membership and which does not grant membership to
24 persons who make a contribution as a result of a solicitation or
25 appeal;

26 (2) Any church that seeks funds for the construction,
27 upkeep, or maintenance of the church building, clergy's residence
28 or for the support of its clergy;

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1 (3) Any college holding membership in the North
2 Carolina College Conference and whose governing board makes the
3 solicitation and receives the contributions;

4 (4) Any non-public high school which is accredited by
5 the State Department of Public Instruction and which offers at
6 least the minimum course of study prescribed by the State Board
7 of Education;

8 (5) Any locally indigenous charitable organization
9 which confines its solicitations and operations to the county in
10 which its executive office is located and its governing board
11 resides.

12 (b) Any charitable organization or other organization
13 that desires to solicit or does solicit the public and claims
14 exemption from the licensing requirements of this part shall file
15 a statement with the Commissioner on forms prescribed by him
16 which shall show proof of its exempted status under this section.
17 The exemption shall be authorized by the Commissioner before such
18 organization may begin or continue to solicit from the public.
19 The claimed exemption shall be subject to annual renewal on forms
20 prescribed by the Commissioner.

21 G. S. 108-74. Solicitation for individual livelihood.--

22 (a) It shall be unlawful for any person to engage in the
23 business of soliciting contributions for his own or another
24 person's livelihood, either upon the streets and highways of this
25 State, through door to door solicitation, or through the mails
26 unless he obtains a license for this purpose from the
27 Commissioner of Social Services.

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1 (b) Any person who desires to engage in the business of
2 soliciting contributions under this section shall file a written
3 application for a license on a form furnished by the Commissioner
4 which shall contain his name, his addresses for the past five
5 years, his purpose in seeking to solicit contributions, his
6 reasons for not pursuing another means of livelihood or for not
7 seeking public assistance grants, and such other information as
8 the Commissioner may require. Before issuing a license, the
9 Commissioner shall seek counsel from other interested State
10 agencies. Persons soliciting contributions while carrying
11 merchandise for sale shall not be exempted from the provisions of
12 this section.

13 (c) A licensee under this section shall carry a copy of
14 his license with him while soliciting contributions and shall
15 show it on request.

16 G. S. 108-75. Penalties for violations.--(a) Any
17 solicitor or charitable organization that violates any of the
18 provisions of this part shall be guilty of a misdemeanor. Upon
19 conviction, the court shall commit an individual violator to
20 prison for a term not to exceed six months; corporate violators
21 shall be fined not more than five hundred dollars (\$500).

22 (b) Any licensee under this part that, after conducting
23 a solicitation campaign and obtaining funds from such
24 solicitation, shall wilfully convert or misapply any of such
25 funds in a manner contrary to the purposes set forth in its
26 application for licensing shall be guilty of a felony and be
27 punished in the discretion of the court.

28 Part 2. Licensing of Private Institutions.

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1 G. S. 108-76. Licensing of maternity homes.--(a) The
2 State Department of Social Services shall inspect and license all
3 maternity homes established in the State under such rules and
4 regulations as the State Board of Social Services may adopt.

5 (b) Facilities subject to the provisions of this
6 section shall include:

7 (1) Institutions or homes maintained for the purpose of
8 receiving pregnant women for care before, during, and after
9 delivery, and

10 (2) Institutions or lying-in homes maintained for the
11 purpose of receiving pregnant women for care before and after
12 delivery, when delivery takes place in a licensed hospital.

13 G. S. 108-77. Licensing of homes for the aged and
14 infirm.--(a) The State Department of Social Services shall
15 inspect and license, under the rules and regulations adopted by
16 the State Board of Social Services, all boarding homes, rest
17 homes, and convalescent homes for persons who are aged or are
18 mentally or physically infirm, except those exempted in
19 subsection (c) below. Licenses issued under the authority of
20 this section shall be valid for one year from the date of
21 issuance unless revoked for cause earlier by the Commissioner.

22 (b) Any individual or corporation that shall operate a
23 facility subject to license under this section without such
24 license shall be guilty of a misdemeanor.

25 (c) Facilities which are exempt from the provisions of
26 this section are as follows:

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1 (2) Those which care for two or more persons, all or
2 whom are related or connected by blood or marriage to the
3 operator of the facility;

4 (3) Those which make no charges for care, either
5 directly or indirectly;

6 (4) Those which care for no more than four persons, all
7 of whom are under the supervision of the United States Veterans
8 Administration.

9 (d) This section shall not apply to any institution
10 which is established, maintained or operated by any unit of
11 government; any commercial inn or motel; or any facility licensed
12 by the State Board of Health under the provisions of G. S. 130-
13 9(e), entitled "Nursing Homes".

14 G. S. 108-78. Licensing of private child-caring
15 institutions.--(a) The State Department of Social Services shall
16 inspect and license private child-caring institutions in the
17 State under rules and regulations adopted by the State Board of
18 Social Services, except those child-caring institutions which are
19 exempt under (c) herein.

20 (b) Licenses granted to private child-caring
21 institutions under this section shall be valid for one year after
22 the date of issuance and may be revoked sooner if the
23 Commissioner finds that the public good or the welfare of the
24 children within any institution is not being properly served.

25 (c) This section shall not apply to any child-caring
26 institution chartered by the laws of the State of North Carolina
27 (or operating under charters of other states which have complied
28 with the corporation laws of North Carolina) which has a plant
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1 and assets worth \$60,000 or more and which is owned or operated
2 by a religious denomination or fraternal order.

3 Part 3. Local Confinement Facilities.

4 G. S. 108-79. Inspection.--The State Department of
5 Social Services shall, as authorized by G. S. 153-51, inspect
6 regularly all local confinement facilities as defined by G. S.
7 153-50(4) to determine compliance with the minimum standards for
8 local confinement facilities adopted by the State Board of Social
9 Services.

10 G. S. 108-80. Approval of new facilities.--The State
11 Department of Social Services shall, as authorized by G. S. 153-
12 51, approve the plans for the construction or major modification
13 of any local confinement facility.

14 G. S. 108-81. Failure to provide information.--If the
15 board of commissioners of any county, the chief of police of any
16 municipality, or any officer or employee of any local confinement
17 facility shall fail or refuse to furnish to the State Department
18 of Social Services any information about any local confinement
19 facility which is required by law to be furnished, or shall fail
20 to allow the inspection of any such facility, such board or
21 individual shall be guilty of a misdemeanor."

22 Sec. 2. All laws and clauses of laws in conflict with
23 this Act are hereby repealed.

24 Sec. 3. This Act shall become effective on July 1,
25 1969.

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